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No. 08-446

In the Supreme Court of the United States

ARISTOCRAT TECHNOLOGIES AUSTRALIA PTY LIMITED AND ARISTOCRAT TECHNOLOGIES, INC.,

Petitioners,

v.

INTERNATIONAL GAME TECHNOLOGY AND IGT,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

REPLY TO BRIEF IN OPPOSITION

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REPLY TO BRIEF IN OPPOSITION

1. In their brief in opposition, respondents first question if this case is the proper vehicle for this Court to address whether the Patent Act requires disclosure of the underlying algorithm for means-plus-function claims implemented by computers or microprocessors. Br. Opp. 3. However, the purported vehicle "defects" are illusory. This case is an appropriate vehicle for this Court to address the question presented.

a. Respondents contend that this case is moot, because petitioners filed a patent reissue request with the Patent and Trademark Office ("PTO") that omitted the claims invalidated by the Federal Circuit. Br. Opp. 3-4. The mere fact that petitioners filed a reissue patent application with the PTO after the Federal Circuit affirmed the district court's judgment of patent invalidity is of no import.

Under Section 252 of the Patent Act, "surrender of the original patent shall take effect upon the issue of the reissued patent." 35 U.S.C. § 252. Thus, the original '102 patent remains unaffected by the pendency of the reissue proceeding. *See* 37 C.F.R. § 1.178(a) ("Until a reissue application is granted, the original patent shall remain in effect."). Respondents concede as much when they note that petitioners' petition for certiorari may not be "technically moot (because petitioners' reissue application has not yet been granted)." Br. Opp. 4.

Moreover, petitioners' use of the phrase "wholly or partly inoperative or invalid" in its reissue

declaration, Br. Opp. App. 1a, is immaterial because that phrase is required of all applicants who file reissue applications after a judicial determination of invalidity of the original patent. *See* 37 C.F.R. § 1.175(a)(1). Its use does not constitute a "binding admission" of invalidity regarding the original patent application. *See generally Orthokinetics, Inc. v. Safety Travel Chairs, Inc.*, 806 F.2d 1565, 1577 (Fed. Cir. 1986).

Because the patent "remain[s] in effect," 37 C.F.R. § 1.178(a), at this time, this case is neither "technically" nor actually moot.

Nor is there any risk that the PTO will reissue the patent without the invalidated claims and thereby moot this litigation. First, reissuance of the patent would only take place upon petitioners' payment of a fee. *See* 37 C.F.R. § 1.314 ("If applicant timely pays the issue fee, the [PTO] will issue the patent in regular course . . . ."). If petitioners do not pay the fee, reissuance would not occur. *See id.* § 1.316 (stating that application is regarded as abandoned if fee is not paid). Petitioners have not paid the reissuance fee, and nor will they pay it until this litigation has concluded.

Furthermore, on November 14, 2008, Aristocrat filed a second preliminary amendment restoring all of the invalidated patent claims to the reissue application, as well as a "notice under concurrent litigation." *See* Reply App. 1a. Under the PTO's rules, "action in reissue applications in which there is an indication of concurrent litigation will be suspended automatically." *Manual for Patent Exam-*

ining Procedure ("MPEP") § 1442.02 (8th ed., Rev. 7, 2008), *available at* http://www.uspto.gov/web/offices/pac/mpep/mpep_e8r7_1400.pdf. Thus, the PTO will automatically suspend the reissuance proceeding until this litigation has finally concluded. Indeed, if this Court grants certiorari and reverses the Federal Circuit, petitioners will withdraw the reissue application as moot.

Finally, even if the PTO did reissue the patent while this litigation was pending, it would not moot the case. With petitioners' restoration of the invalidated claims to the reissuance application, the reissued patent would contain the invalidated claims at issue here. By operation of law, reissuance of a patent with claims substantially identical to the original patent does not moot or abate litigation over the original patent. *See* 35 U.S.C. § 252 (stating that reissuance of a patent "shall not affect any action then pending nor abate any cause of action then existing," "insofar as the claims of the original and reissued patents are substantially identical").

b. Respondents next claim that petitioners have waived one argument by not raising below whether an algorithm constitutes structure. Br. Opp. 4. *Issues* are waived, not arguments. *See* Eugene Gressman, et al., *Supreme Court Practice* 465 (9th ed. 2007) ("Although the Court generally declines to review *issues* not pressed or passed upon by the lower courts, it has allowed petitioners to make new *arguments* in support of claims properly presented below.") (emphasis in original). Petitioners clearly raised below the *issue* of whether it was necessary to disclose the algorithm used to operate the computer

that performed the claimed function; petitioners' contention that an algorithm is not "structure" within the meaning of Section 112 is merely an argument raised in support of that issue.

Even if petitioners' argument that "an algorithm is not structure" is considered an "issue," the standard for waiver is whether an issue was pressed *or* passed by the lower court. *United States v. Williams*, 504 U.S. 36, 41 (1992) (holding the traditional "pressed or passed upon" rule for granting certiorari requires that the claim be either "pressed" or "passed," not both). The Federal Circuit chose to pass on (or address) this issue, by finding that an algorithm is structure required to satisfy Section 112. Pet. App. 22a.

c. Respondents also assert that petitioners' contention that an algorithm is not "structure" is contrary to what petitioners argued below. Br. Opp. 4. Contrary to this assertion, petitioners made no argument that an algorithm is "structure" within the meaning of the statute. Instead, petitioners argued, essentially in the alternative, that to the extent the disclosure of the relevant algorithm is necessary, the '102 patent did disclose actual algorithms, Pet. C.A. Br. 29-35, a factual argument rejected by the Federal Circuit and not contested here. Indeed, in petitioning for rehearing en banc, petitioners emphatically argued that an algorithm is not "structure." *See* Pet. C.A. Petition for Rehearing En Banc at 14 ("Here, the Panel's holding requires disclosure of structure *and* acts (the microprocessor instructions), contrary to the express language of the statute. * * * It is also beyond debate that a

microprocessor's *instructions*, i.e., the program which the microprocessor implements, is *not* structure.") (emphasis in original).

d. Finally, respondents next argue that this petition is a "poor vehicle" because the '102 patent would remain invalid, based on the district court's alternative holding that the patent is invalid because it does not "link" structure to the asserted functions. Br. Opp. 4. Respondents contend that, because the Federal Circuit did not review the district court's alternative holding, "reversal of the Federal Circuit's ruling on the structure disclosure issue would leave the alternative ground for invalidity in place." Br. Opp. 5. Contrary to the respondents' argument, reversal of the Federal Circuit would require a remand to the Federal Circuit to consider, in the first instance, petitioners' challenge (fully pressed below) to the district court's alternative holding.

2. Respondents make no effort to defend the merits of the Federal Circuit decision as a matter of statutory construction under 35 U.S.C. § 112. As petitioners demonstrated, the Federal Circuit decision is indefensible as a matter of statutory construction. *See* Pet. 16-24. Instead, respondents argue: (a) that the Federal Circuit applied "settled law" when rendering its decision; (b) that the Federal Circuit's cases are not in disarray; (c) that the '102 patent is purely functional; and (d) that the petitioners have conflated enablement with disclosure. Br. Opp. 5-13. None of these arguments have merit.

a. In this case the Federal Circuit ignored, rather than applied, its "settled law." The settled law in the Federal Circuit on the question presented is *In re Dossel*, 115 F.3d 942 (Fed. Cir. 1997), which *rejected* an indefiniteness attack on a patent containing a means-plus-function claim but lacking a disclosed algorithm. Respondents make no attempt to reconcile *Dossel* with the decision below, and instead are reduced to the conclusory assertion that, unlike petitioners' patent, the *Dossel* patent "did disclose sufficient structure." Br. Opp. 11. But what was the difference in disclosure? In *Dossel*, the specification stated that the computer would be programmed with "known algorithms," 115 F.3d at 946, which is indistinguishable in principle from the "appropriate programming" disclosed in the '102 patent in this case. As in this case, no *actual* algorithms were disclosed in *Dossel*.[1]

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[1] Respondents also argue that *Civix-DDI, LLC v. Microsoft Corp.*, 84 F. Supp. 2d 1132 (D. Colo. 2000), which followed *Dossel* and upheld a patent lacking an algorithm, contained steps that "amount[ed] to an algorithm requirement." Br. Opp. 11. Actually, in *Civix-DDI*, there was even less disclosure than in this case, because not only was the algorithm not disclosed, neither was the computer: *"No computer or algorithm, per se, is disclosed.* However, the language 'internal electronic means in the base station' denotes the use of a computer and corresponding software." 84 F. Supp. 2d at 1147 (emphasis added, citing *Dossel*). There is no principled distinction between "internal electronic means" in the

(continued...)

In any event, even if one accepted respondents' assertion that the Federal Circuit applied "settled law" in this case, respondents do not dispute that the Federal Circuit decision conflicts with the plain language of the statute and the rules of the PTO. First, an algorithm is simply not "structure," because it is a "process" within the meaning of the Patent Act. *See* Pet. 16-21. Second, even if an algorithm can otherwise constitute "structure," Section 112 permits patent applicants to claim a function without reciting definite structure to perform the function, provided that the specification describes the structure in sufficient detail to enable a person skilled in the art to make and use the invention. 35 U.S.C. ¶¶ 1, 6. The Federal Circuit's decision removes the person skilled in the art from the analysis, ignoring the plain language of the statute. This Court has seen the Federal Circuit make the same analytical mistake before, and it has repeatedly reversed that court for rendering decisions that are contrary to the plain language of the Patent Act. *See* Pet. 14-15.

The PTO takes the same view of the meaning of Section 112 as petitioners do here: whether sufficient structure is disclosed in the patent specification turns on whether a person skilled in the art

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Civix-DDI patent and "microprocessor base[d] gaming machine [with] appropriate programming" in the patent in this case. Yet the former patent was upheld under *Dossel* and the patent in this case was invalidated.

could make or use the invention. *See* Pet. 22-23; *see also* MPEP § 2181 (stating that "disclosure of structure corresponding to a means-plus-function limitation may be implicit in the written description if it would have been clear to those skilled in the art what structure must perform the function recited in the means-plus-function limitation"). Given that the PTO's construction of the statute conflicts with the Federal Circuit's in this case—and that the respondents have made no effort to defend the Federal Circuit's decision as a matter of statutory construction—then this Court should request that the Solicitor General provide the views of the United States.

b. Next, respondents' assertion that there is no disarray in the Federal Circuit's means-plus-function jurisprudence is simply not correct. Br. Opp. 1. Academic commentators universally condemn the Federal Circuit's means-plus-function jurisprudence as incoherent and unprincipled. *See* Pet. 25-27. This confusion is particularly acute when the same three-judge panel reaches the opposite conclusion on the same issue, argued on the same day. *See, e.g., Aristocrat Techs. Australia Pty Ltd. v. Multimedia Games, Inc.*, No. 2007-1375 (Fed. Cir. Feb. 22, 2008), reprinted at Pet. App. 50a-65a. Respondents attempt to distinguish between *Multimedia* and the present case, but their effort fails. Although the *Multimedia* specification used the word "algorithm," while the '102 patent used the word "programming," the respective district courts determined that neither patent disclosed anything more. Pet. App. 48a, 55a. It cannot be that the *Multimedia* patent is valid because it used the word

"algorithm" while the '102 patent is invalid because it used the word "programming." The distinction between the two words is a function of the Federal Circuit's unstable and unpredictable mean-plus-function jurisprudence rather than any plausible reading of Section 112. *Cf.* R. Carl Moy, *Moy's Walker on Patents* § 4:90 (2006) (observing that the Federal Circuit's mean-plus-function jurisprudence applies "*to close cases unpredictably*").

c. Respondents next argue that Claim 1 of the '102 patent is purely functional. Br. Opp. 5-6. But there is nothing "purely functional" about petitioners' means-plus-function claims. The disclosed microprocessor is a physical structure that corresponds to the claimed means, and it is one associated with, used in, and having the particular attributes of a standard gaming machine, as understood by a person of skill in the art. This hardly qualifies as monopolizing the claimed function for all time and for all things.

d. Respondents further assert that petitioners "conflate" the enablement requirement of Paragraph 1 with the disclosure of structure requirement in Paragraph 6 and thereby ignore "rudimentary" precepts of patent law. Br. Opp. 12-13. Once again, and like the Federal Circuit, respondents embrace Federal Circuit doctrine and ignore statutory text. Paragraph 6 expressly refers back to the specification found in Paragraph 1. 35 U.S.C. § 112 ¶ 6. Paragraph 1, in turn, sets forth the requirements for the specification, calling for the disclosure of sufficient structure to *enable* one skilled in the art to make and use the invention. *Id.* ¶ 1. Thus,

petitioners are not conflating the enablement requirement with the disclosure of structure requirement. They are reading the language of the statute, which some Federal Circuit panels have also done. *See Atmel Corp. v. Storage Devices, Inc.*, 198 F.3d 1374, 1379 (Fed. Cir. 1999) ("As it is well established that claims are to be construed in view of the understanding of one skilled in the art, . . . *the closely related issue concerning whether sufficient structure has in fact been disclosed to support a means-plus-function limitation should be analyzed under the same standard.*") (emphasis added). Section 112 unmistakably incorporates the knowledge of one skilled in the art, and this interpretation comports with the Patent and Trademark Office's own reading of the statute. *See* Pet. 22-23.

3. Finally, respondents ignore the recurring and important nature of the issue in this case. At present, there are two cases before this Court that raise this issue. *See also Finisar Corp. v. DirecTV Group, Inc.*, No. 08-445 (Oct. 3, 2008). Since petitioners filed their petition for certiorari, the Federal Circuit has applied its decision in this case and *Finisar* to invalidate yet another mean-plus-function patent implemented by a computer. *See Net Moneyin, Inc. v. Verisign, Inc.*, No. 2007-1565, 2008 WL 4614511 (Fed. Cir. Oct. 20, 2008). If this Court does not step in, the Federal Circuit will continue to mow down patents that otherwise satisfy the requirements of both the Patent Act and the PTO's construction of that Act in guidance provided to patent applicants.

CONCLUSION

For the reasons provided above and in the petition for writ of certiorari, this Court should request the views of the United States, and then grant the petition.

November 18, 2008

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APPENDIX

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
(Attorney Docket No. 19046US01)

In the Reissue Application of:
Nicholas Luke Bennett
U.S. Pat. No. 6,093,102
Issued on: July 25, 2000
Serial No. 12/124,804
Filed: May 21, 2008
Examiner: Not yet assigned
Group Art Unit: 3713

Electronically Filed on November 14, 2008
Confirmation No. 3335

NOTICE OF CONCURRENT PROCEEDINGS PURSUANT TO 37 CFR § 1.178(B) AND REQUEST FOR SUSPENSION PENDING FINAL DISPOSITION BY THE SUPREME COURT

Mail Stop REISSUE
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

Pursuant to 37 CFR § 1.178(b), Applicant hereby notifies the Office of concurrent proceedings involving U.S. Pat. No. 6,093,102 ("'102 Patent"). In particular, Applicant notifies the Office that on October 3, 2008, a Petition for a Writ of Certiorari to the United States Supreme Court was filed, regarding the Federal Circuit decision in Aristocrat

Technologies Australia Pty Limited and Aristocrat Technologies, Inc. v. International Game Technology and IGT, 521 F.3d 1328 (Fed. Cir. 2008). The Petition for a Writ of Certiorari has not been acted upon by the Supreme Court. Copies of the parties' briefing regarding the Petition for a Writ of Certiorari are being filed concurrently with this Notice in Applicant's Supplemental Information Disclosure Statement.

With this Notice, Applicant is also concurrently filing a Second Preliminary Amendment to the reissue application that reinstates claims 1-12 of the '102 Patent as reissue application claims 26-37. Because these reinstated claims are the same as the claims that are the subject of the Petition of Writ of Certiorari, there are significant overlapping of issues between the reissue application and the pending litigation. Therefore, Applicant respectfully requests that action in the reissue application be suspended pursuant to MPEP 1442.02 pending final disposition by the Supreme Court.

The Commissioner is authorized to charge any necessary fees or credit any overpayment to the deposit account of McAndrews, Held & Malloy, Account No. 13-0017.

Respectfully submitted,

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